



Current Report: 50/2020

Date: 2020-11-23

Name of the Issuer: FERRUM S.A.

Title: Initial financial results for 9 months of 2020

Legal basis: Art. 17 item 1 MAR – inside information

Content of the Report:

The Management Board of FERRUM S.A. (Issuer, Company) informs that on 23rd November 2020, with regard to the completion of financial data aggregation process initiated in order to prepare consolidated report for the Q3 2020, it was decided to publish the initial standalone and consolidated financial results for the referred period.

Stand-alone net revenue from sales of products, goods and materials in 9 months of 2020 amounted to app. PLN 332 040 thousand and was by PLN 20 803 thousand, i.e. by ca. 7% higher than the revenue of comparable period of previous year. In Q3 the Company implemented deliveries to OGP GAZ-SYSTEM S.A. within partial agreement being subject to current report no. 54/2019. Comparing to analogical period of previous year, the Issuer registered improvement of gross result on sales of products, goods and materials (understood as gross profit from sale diminished by costs of management and costs of sales) from loss of PLN 34 thousand to profit of PLN 2 035 thousand. In 9 months of 2020 the Company achieved operating profit of ca. PLN 1 357 thousand, lower by ca. PLN 2 945 thousand than the operating profit in 9 months of 2019, i.a. due to lower income from other operations. The accrual valuation of liabilities in foreign currencies in line with stipulations of MSR/MSSF and costs of external financing caused the Issuer's net loss of ca. PLN 7 002 thousand.

Consolidated net revenue from sales of products, goods and materials in 9 months of 2020 amounted to app. PLN 408 841 thousand, which means increase by the amount of PLN 47 108 thousand, i.e. by ca. 13% in comparison to the revenue of comparable period of previous year. Higher net consolidated revenue from sales resulted from higher sales of products in both the parent company FERRUM S.A. and affiliated company ZKS FERRUM S.A. Comparing to analogical period of previous year, FERRUM Capital Group (Group) registered increase of gross profit from sales from PLN 5 525 thousand to PLN 6 825 thousand. Consolidated operating profit of the Group in 9 months of 2020 amounted to app. PLN 6 062 thousand. The Group recorded net loss of app. PLN 3 729 thousand in 9 months of 2020 instead of net profit of PLN 1 888 thousand in 9 months of 2019. Consolidated net loss in 9 months of 2020 results from inter alia the Issuer's negative net result.

Detailed information on the final financial results of the Company and FERRUM Capital Group for 9 months of 2020 shall be made public on 30th November 2020.

SIGNATURES OF PERSONS REPRESENTING THE COMPANY

Date	Position	First name and surname
2020-11-23	President of the Management Board	Krzysztof Kasprzycki
2020-11-23	Vice-President of the Management Board	Honorata Szlachetka